

19 Employee Ridesharing Credit

3572

Attach to your California tax return.

Name(s) as shown on return

Social security number

Part I Computation of the Credit

Complete columns (a) and (b) if filing a joint return and you both qualify for the credit. Include amounts for each spouse separately. Use column (b) for joint returns where only one spouse qualifies and for all other filing statuses.

	Column (a)	Column (b)
1 Vanpool subscription costs. See instructions	1 _____	_____
2 Multiply each column on line 1 by 40% (.40)	2 _____	_____
3 Enter the lesser of line 2 or your maximum allowable credit. See instructions	3 _____	_____
4 Credit carryover from prior year		4 _____
5 Total available credit. Enter the total of line 3, column (a), line 3, column (b) and line 4		5 _____

Caution: Your credit may be limited. See instructions for line 3 and line 5.

Part II Computation of the Carryover Do not complete if you must file Schedule P (540 or 540NR)

6 Enter amount of credit claimed on current year tax return. See instructions for line 5	6 _____
7 Credit carryover to future years. Subtract line 6 from line 5	7 _____

General Information**A Purpose of Form**

Use form FTB 3572 to claim a ridesharing credit if you are an employee who paid vanpool subscription costs in a nonemployer-sponsored vanpool program.

You may claim this credit in an amount equal to 40 percent, up to a maximum of \$480, of all vanpool subscription costs for which you have receipts. On a joint return each spouse is allowed a maximum credit of \$480.

For a husband and wife who file separate returns where both qualify for the credit, each spouse must claim his or her allowable credit. If only one spouse is qualified, either spouse may take the credit, or they may divide it equally between them.

B Definitions

Employer means any individual or entity for which services are performed by employees.

Employee means an individual who performs service for an employer for at least 10 hours a week for pay and who vanpools to and from work at least three days a week or fifteen days a month for at least six months of the year.

Nonemployer-sponsored vanpool program means a program administered and operated by a sponsor who can be an individual, organization or government agency. It is made available to employers and employees, but not the sponsor's own employees (see **Exception** below). The purpose of the program is to make vehicles, related equipment and services available for commuting to and from work. If your employer sponsors the vanpool program, you are in an "employer-sponsored" rather than a "nonemployer-sponsored" vanpool program and you do not qualify for this credit.

Exception: If you are an employee of a government agency or a nonprofit organization that sponsors a vanpool program, you are considered to be in a

nonemployer-sponsored vanpool program and are eligible for this credit.

Vanpool means an average of seven or more persons commuting on a daily basis to and from work by means of a vehicle designed to carry seven to fifteen adults, including the driver.

Vanpool subscription costs include, but are not limited to, vehicle lease payments, repairs, maintenance, fuel and insurance. These costs must be paid or incurred in California.

Note: You must retain receipts for your vanpool subscription costs. However, if you are a rider in a vanpool and pay the driver for your share of the costs by personal check, your cancelled check will be considered a receipt for purposes of proving your vanpool subscription costs. Do not attach receipts to your return. Provide them to FTB only if requested.

C Miscellaneous

If the available credit for the current year exceeds the tax, you may carry forward any unused credit to succeeding years.

The credit cannot reduce net tax below the tentative minimum tax.

The credit does not apply against the alternative minimum tax.

Specific Line Instructions**Part I**

Line 1 – Enter the total of your vanpool subscription costs for the taxable year. If you are single, head of household, a qualifying widow(er) with a dependent child or married filing a joint return where only one spouse qualifies for the credit, use only column (b).

If you are married filing a joint return and both spouses qualify for the credit, enter one spouse's costs in column (a) and the other spouse's costs in column (b).

If you are married filing separate returns, enter only your own costs in column (b) if both spouses qualify. Enter half of the eligible costs in column (b) if only one spouse qualifies and you are splitting the credit between you. **Note:** If only one spouse qualifies and you are splitting the credit between you, each spouse must attach a copy of form FTB 3572 to their separate tax return.

If you pay a fixed amount monthly to the person or organization that administers and operates your vanpool program, you must retain receipts for these payments. If you are an employee who is the owner of the vehicle used in your vanpool program, you may deduct the costs of operating and maintaining the vehicle (including the portion of depreciation attributable to the commuting use) less any reimbursements or payments for costs that you receive from the other vanpool members.

Line 3 – Your maximum allowable credit is:

- \$480, if you are single, head of household or a qualifying widow(er) with a dependent child;
- \$480, if you are married filing a joint return **and** only one spouse qualifies for the credit;
- \$480 each, if you are married filing a joint return **and** both spouses qualify for the credit;
- \$480, if you are married filing separate returns where only one spouse is claiming the credit; or
- \$240, if you are married filing separate returns, only one spouse qualifies **and** you are splitting the credit between you.

Line 5 – The amount of this credit you may claim on your tax return may be limited. Refer to the credit instructions in your tax booklet to see if there are any limitations on the amount of credit you may claim. These instructions also explain how to claim this credit on your tax return. You must use credit code number **194** to claim this credit.